

What is Social Security?

Social Security in the United States is a form of legally mandated insurance designed to provide old age (retirement), disability and survivor benefits. Payroll taxes and self-employment taxes fund the system, in theory, based on the Federal Insurance Contributions Act (FICA). Each person's unique Social Security Number acts as a record-keeping indicator for the Social Security system.

Americans are at all times entitled to know their Social Security benefits information from their local Social Security Administrative offices (<https://www.ssa.gov/locator>).

Note: In reality, the system is running out of money, as a shrinking base of younger people are called upon to support a growing number of older people, creating a perennial political issue.

Eligibility

Social Security benefits do not begin automatically, eligible people must apply to receive benefits. To begin receiving Social Security checks, a person aged 62 or older must apply for the benefits. Depending on birth year, applying at age 65, 66 or 67 instead of 62 will bring a greater level of benefits. The amount paid by SSA varies according to the size of contributions the applicant has put into the system, during his or her working life.

Payment Procedures & Criteria

1. You will receive social security benefits even while you are in India if you earned at least 40 credits under the U.S. Social Security system **or** lived at least 10 years in the United States.
2. To receive benefits as dependent or survivor, the person that you are claiming as dependent must have earned at least 40 credits under the U.S. Social Security system **or** lived at least 10 years in the United States and meet the below.

Additional residency requirements for dependents and survivors:

- Lived in USA for at least 5 years with the family relationship on which SSA benefits are based on. 5 years residence is not required if you are a beneficiary of a U.S. military service or as a result of a service-connected disease or injury or was initially eligible before 1985.
- For children who are receiving SSA benefits as survivors, both the parents should have lived in USA for 5 years.

Method of Payments:

SSA will make payments monthly either by

1. Check
2. Direct Deposit

3. Direct Express® Debit Card

Information to be submitted to SSA

You will need to submit the following information to SSA:

1. Change of address – notify change of address including family members living in that address.
2. Work outside the United States – If you are younger than 67 years of age (full retirement age) notify if you are working (fulltime/ part time/self-employed) or own a business outside USA.

If the beneficiary is a child and starts apprenticeship, notify SSA regardless of child's age.

SSA considers the work outside the United States under the foreign work test or the annual retirement test

Foreign Work Test:

SSA withholds the payments for people below 67 years working outside USA (Job/Self-employed) for more than 45 hours a month for those worked months.

Annual Retirement Test:

If you are below 67 years of age and claim SSA payments and are working, the SSA payments are not affected if your earnings do not exceed the annual exempt amount. The exempt amount is \$ 45,360 if you attain 67 years of age in 2018 or \$17,040 if you attain 67 years after 2018.

3. Disability benefits – If you are receiving disability benefits and your condition improves and go back to work, you need to notify SSA.

In such situations, SSA will send you payments for up to 9 months considering that period as “trial work period”. If you continue to work after 9 months, SSA will send payments for 3 more months. If you are not able to work before completion of 9 months, you will continue to receive SSA disability benefits.

4. Marriage – Notify SSA if you get married or your beneficiary gets married. Based on the situation, payment amount changes.
5. Divorce or annulment - Notify SSA if you get divorced or marriage annulment. Notify for any name changes after divorce.
6. Adoption of a child - Notify SSA when adopting a child with all the information.
7. Child leaves the care of a spouse or surviving spouse - If you are a spouse or a surviving spouse receiving benefits because you are caring for a child who is under age 16 or who was disabled before age 22, notify SSA immediately if the child leaves your care.

8. A full-time student or disabled child – Unless the child is unmarried and disabled or a full-time student at the age of 18, SSA will stop payments.
9. Death – If recipient of Social Security payments dies, family members should notify SSA immediately and should return the payment for that month.
10. Inability to manage funds – If beneficiary cannot manage funds, he or she can designate another as representative to receive funds.
11. Deportation or removal from the United States – If you are deported or removed from US, your payments will be terminated till you are lawfully admitted again into United States for permanent residence.
12. Eligibility for a pension from work not covered by Social Security – Notify SSA if you start receiving a retirement or disability pension for work not covered by U.S. Social Security.

NOTE: *Failure to report a change will affect your benefit amounts and may terminate your benefits.*

How to submit

People can report the above information when needed in person at any SSA local office or by email or by regular mail or by calling 1-800-772-1213.

Mailing address –

Social Security Administration
Office of Public Inquiries
1100 West High Rise
6401 Security Blvd.
Baltimore, MD 21235

Filing Income Tax Returns

US Citizen or Green Card Holder:

You must file taxes with IRS irrespective of where you live and earn including social security benefits.

Non- US Citizens or Not Green Card Holders:

SSA will deduct the income tax and send you the monthly check. At the end of the year, SSA will send a statement outlining the income tax withheld and the benefits amount.

For more information, please visit www.prasadthotakura.com